

**CONNECTICUT DEPARTMENT OF CORRECTION  
UNIVERSITY OF CONNECTICUT HEALTH CENTER  
CORRECTIONAL MANAGED HEALTH CARE (CMHC) OVERVIEW  
FEBRUARY 2005**

**A PUBLIC PARTNERSHIP**

The Connecticut Department of Correction, in partnership with the University of Connecticut Health Center, is committed to providing:

- Reliable access to good health care
- Cost-effective services
- Efficient delivery
- Positive medical outcomes

Compassionate medical, mental and dental care coupled with clinically appropriate, time efficient and resource sensitive utilization of services promotes a safe, secure and healthy environment.

**CMHC BACKGROUND**

- Until the last decade, the Department of Correction provided health services to inmates directly, using local hospitals and medical specialists as necessary.
- Correctional inpatient unit at UConn's John Dempsey Hospital opened in 1995 with 12 beds.
- The UConn Health Center assumed all health service provision from the Department of Correction in November 1997.
- Health care includes medical, mental health, pharmacy, and dental services.
- Services are provided at 18 DOC facilities statewide, and at John Dempsey Hospital. Services include:
  - Hospice programs at McDougall/Walker and York
  - Sex offender programs at the 4 facilities where sex offenders are housed
  - Direct care services to 38 DOC contracted halfway houses
  - Mental health services at all prisons and jails, with comprehensive programs at Osborn, York, Manson Youth, and Garner

- As of January 1, 2005, services are provided by 661 full-time equivalent staff to 17,993 incarcerated inmates and 756 halfway house inmates.
- CMHC is the largest state medical care provider.
- On an average day, CMHC fills 3,500 prescriptions, sees 540 inmates at sick call, serves 106 inmates in infirmary beds and provides approximately 8 or 9 inmates with inpatient services at John Dempsey Hospital.
- In 2004, there were 12,709 inmate visits for care at specialty clinics in DOC facilities (orthopaedic services, infectious diseases/HIV, optometry, podiatry, and general surgery). Dentists saw 33,662 visits from inmates for services ranging from routine exams to oral surgery.
- In 2004, CMHC staff performed approximately 35,000 skin tests for tuberculosis and 8,037 DNA tests (note: in 2003 a new statutory requirement that every felon be in a DNA registry went into effect; testing is still underway).
- Mental Health: there were 94,857 visits in 2004 to social workers, psychologists and psychiatric nurse clinicians, which included 8,835 suicide assessments. In addition, there were 31,138 visits to psychiatrists and 16,628 visits to Advanced Practice Registered Nurses. Inpatient bed days totaled 26,979 in 2004.
- In addition to health care for inmates, CMHC provides tuberculosis screening and (except during the 2004 vaccine shortage) flu vaccinations for all DOC employees annually, and Hepatitis B screening and vaccinations for all new employees.
- The FY '05 appropriation for inmate care is \$81.06 million.

## **CHALLENGES**

- The inmate population has significant health problems and is proportionately sicker than the general population on virtually any measure of mental illness and chronic and communicable diseases (tuberculosis, Hepatitis B & C, drug and alcohol addiction, STDs, hypertension, etc.). Therapy options have expanded and the generally accepted standard of care has risen. The aging of this population also has implications for health care delivery. (Please note: DOC provides addiction services.)
- Distinguishing characteristics of the Connecticut correctional system include

- Jails (only 6 states run jails as well as prisons), which are expensive to run because of high intake costs (assessments, securing medical records, etc.), turnover, and special needs such as suicide prevention. On average, the Hartford jail takes in 42 persons/day.
  - A high number of female inmates (Connecticut has 1312 women inmates in jails and prisons). On average, health care services for female inmates cost twice that of male inmates. Although they account for 7.7% of the total inmate population, female inmates utilized 15% of total medical expenditures last year. (26 babies were delivered in FY '04 to inmates of the system).
  - Juveniles and youths, who require care from specialized providers, including pediatricians and child/adolescent psychiatrists.
  - Connecticut has a 389/100,000 incarceration rate, higher than any other state in the Northeast (where the average is 300/100,000), and 27<sup>th</sup> nationally.
- Recruitment and retention of health care professionals in prisons is a challenge here and nationally, particularly in a time of workforce shortage. On average 75% of all vacancies in CMHC are nursing positions.
  - The inmate population (including halfway houses) increased rapidly until FY '04. While the general inmate population is now declining (from a high point of 19,121 in FY '03 to 18,583 in January 2005), the number of higher-acuity patients has risen 59% in the last four years alone. These demographic trends drive the increase over time in mental health and medical infirmary beds and service costs.
  - Dialysis patient numbers increased dramatically from FY '00 to FY '03, and then declined, but still remain much higher than historical averages. Since then, patient numbers have declined. In FY '03, the service cost \$45,000 annually per inmate. Since that time, by negotiating better rates with providers, CMHC has cut the average annual cost to \$27,000. By increasing dialysis services on site, the need to transport inmates has been reduced. (See Figure 1)
  - The number of inmates on medications has increased 46% since January 1999. (See Figure 6) During the same period of time, the inmate population increased by 16%. Notwithstanding administrative efficiencies, pharmaceutical costs continue to rise sharply, with increasing demand for costly medications for treating HIV, Hepatitis C and psychiatric conditions. In addition, CMHC has identified many more inmates requiring treatment for chronic diseases such as diabetes, hypertension and Hepatitis C. (See Figures 2, 3, 4 and 5)

## **LEGAL CONTEXT**

- The challenge of providing good, cost-effective health care to a complex population in a prison environment is further complicated by evolving legal requirements.
  - U. S. Constitution
    - 8<sup>th</sup> Amendment prohibition against cruel and unusual punishment
    - the U. S. Supreme Court in *Estelle v. Gamble* deemed Correction officials' "deliberate indifference to serious medical needs" an 8<sup>th</sup> Amendment violation
  - General parameters
    - Right to access to care
    - Right to care that is ordered
    - Right to competent professional medical care
- Court orders/consent decrees mandate services (*West v. Manson*, *Doe v. Meachum*, *Roe v. Meachum*, Office of Protection and Advocacy)

## **INITIATIVES UNDERWAY**

- Consolidation and Enhancement. In FY '04, CMHC and DOC began a major effort to offer more intensive 1) medical care services and 2) mental health services at regionally consolidated facilities in order to better utilize valuable resources and optimize care for offenders with acute or more intensive care needs, while maintaining basic services at every facility. The goals of the new delivery model are described below.
  - For all services:
    - Ensure a continuum of quality health care that allows inmates to return to their highest level of functioning in the least restrictive environment.
    - Improve staff recruitment, retention and morale.
    - Improve coverage on weekends and holidays.
    - Reduce mandations, overtime and utilization of pool nursing.
    - Establish functional units with better supervisor coverage.

- Enhance discharge planning for successful reentry
- Increase collaboration with DMHAS, DMR, DCF, DSS and DPH...
- Reduce transportation costs and related security risks.
- Maintain and expand accreditation (currently at MCI/WRSMU and York).
- For medical services:
  - House inmates who may need infirmary care closer to those services.
  - Implement HIV rapid testing technology statewide.
- For mental health services:
  - Meet increasing need for mental health services.
  - Improve and streamline mental health screening and diagnostic processes to improve overall quality of care.
  - Provide comprehensive services at Garner and York for inmates with significant mental health needs.
  - Ensure that the seriously and persistently mentally ill are not housed in Northern CI or the jails.
  - Provide therapeutic programs at Manson YI to ensure a safe and humane treatment environment for mentally ill inmates younger than 18.
  - Increase staff allocation to sex offender program.
  - Improve suicide prevention.
- Cost Containment – Pharmacy
  - CMHC has reduced the average cost of drug treatment for inmates receiving medications. (See Figure 7)
  - These savings have occurred in a climate in which pharmaceutical costs continue to climb dramatically. Areas of special relevance to correctional health care include:
    - HIV (triple drug therapy has become the standard of care)

- Mental Health (pennies-per-pill antipsychotic meds have been replaced by safer dollars-per-pill meds)
  - Hepatitis C (Interferon therapy costs \$35,000 per inmate annually)
  - CMHC has taken advantage of John Dempsey Hospital's participation in Novation (a national hospital purchasing consortium) which realizes a savings of 40% off average wholesale price. This has kept costs well below the trend line set previously through a private pharmacy contract. (See Figure 7) (Note: OPM has just designated the UConn Health Center the central purchaser for pharmaceuticals for all state agencies based on the savings power of UConn's purchasing arrangement.)
  - CMHC's careful management of pharmaceuticals (including automated delivery that assures supply and reduces diversion) allows the redistribution of hundreds of thousands of dollars worth of pills that would otherwise be discarded.
  - CMHC's formulary successfully guides providers, when appropriate, to the least expensive effective alternative to expensive drugs.
- Cost Management
    - The average annual increase in health care funding per inmate over the past seven years was 4.1%, while the Northeast Medical Consumer Price Index (CPI) averaged 4.4% for the same period.
    - For the annual cost of inmate medical care, of the nine Northeastern states, Connecticut is the median based on the most recent federal data available (2001).
    - CMHC installed the KRONOS time and attendance system in July, 2004 to assure uniform and accurate administration of bargaining unit rules.
    - Hiring and purchasing procedures have been automated, reducing time and cost.
  - Managed Care and Quality Improvement
    - A formal "Utilization Review" program provides a standard physician review process for physician requests for specialty services (including an appeals process). The program assures that specialty services provided (such as surgery, cardiology, dermatology, orthopaedics, and specialty radiology) are both necessary and appropriate. Denials are accompanied by justification and recommendations for alternative care options.

- Quality Assurance and Quality Improvement programs provide continuous self-assessment; system wide policies and procedures support standardization of care.
- Information Technology
  - CMHC, in keeping with an important national trend, is using expanded technology to improve safety, care and medical data management. The Siemens project will introduce an electronic patient chart available to qualified CMHC staff, eliminating the unnecessary duplication of services and potential for errors in a paper-based system.
  - The project is being implemented in two phases. Phase 1 (clinical data repository) went live in June, 2004; in 2006, Phase 2 will offer computerized physician order entry and clinical documentation.
  - Facility medical staff can now consult more rapidly and effectively with central medical and specialty staff in day-to-day patient care decision-making, and have access to automated policy/procedure manuals and vast databanks.
  - The Health Center's Wide Area Network reaches 90% of DOC facilities.
- Education and Staff Development
  - CMHC staff provides "pre-service" training at the Maloney Training Academy for all new health services staff, as well as some training for custody staff.
  - Training is provided to all CMHC staff on an annual basis. Examples of areas covered are: CPR, HIV/AIDS recognition and treatment, suicide prevention, and infectious disease precautions.
  - Network and videoconference capacity is expanding training options.
- Nationally Recognized Accreditation
  - NCCHC-York Correctional Institution is the first ever accredited combined women's jail/prison facility in the nation.
  - Health services received a perfect score at the American Correctional Association (ACA) accreditation of the MacDougall/Walker facility.

## **THE PUBLIC SERVICE MISSION**

The DOC/UConn partnership provides the state of Connecticut with comprehensive, reliable, cost-effective health services for inmates and enables each partner to further its public mission:

- For the DOC, to protect the public, protect staff, and provide safe, secure and humane supervision to offenders with opportunities that support successful community reintegration.
- For the UConn Health Center, to provide remarkable care through research and education. To date, \$6.37 million in research grants has been secured as a result of (and in support of) this partnership. Medical students, interns and residents benefit from this program as a training site, and CMHC also serves as a clinical site for the Tunxis Community College dental hygienist program and the Quinnipiac University forensic nursing program.



FIGURE 1

**Patients on dialysis**  
CMHC January, 1999 - December, 2004

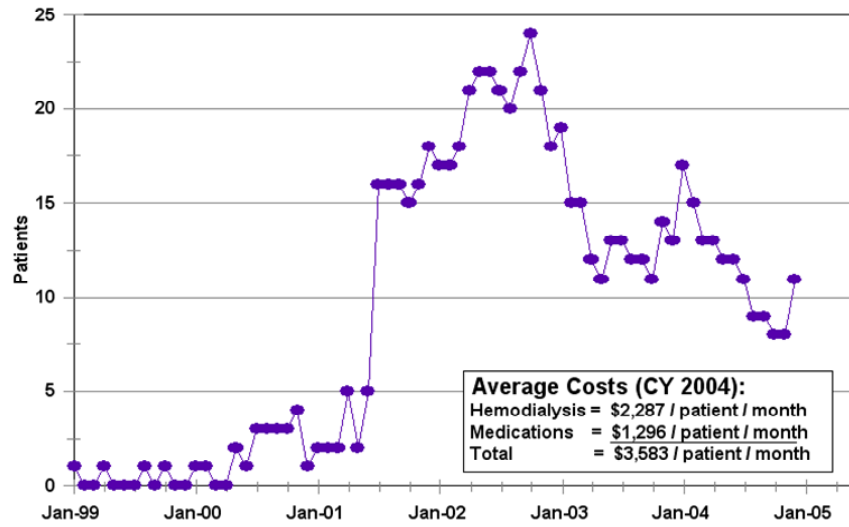


FIGURE 2

**Inmates treated for Diabetes**  
CMHC January, 1999 - December, 2004

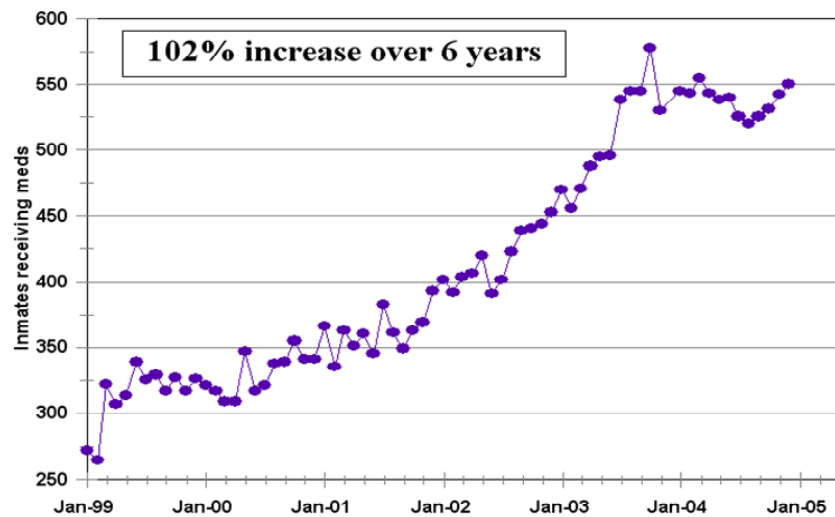


FIGURE 3

**Inmates treated for Hypertension  
CMHC January, 1999 - December, 2004**

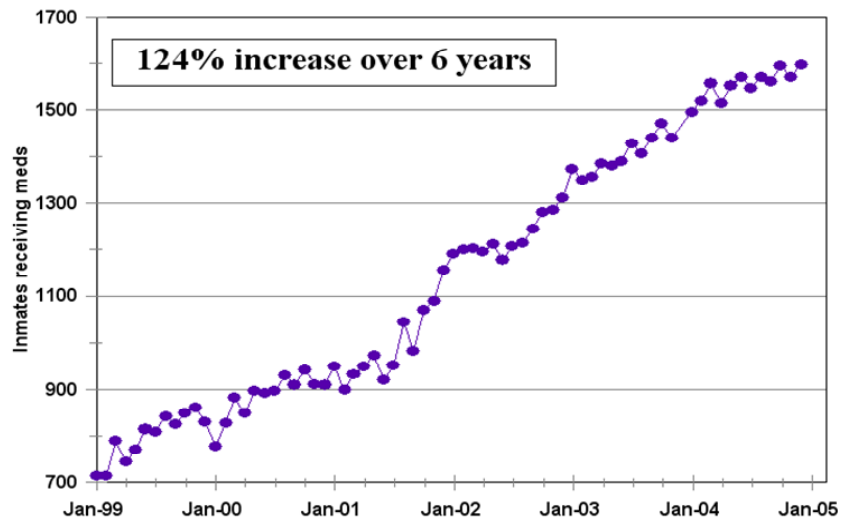


FIGURE 4

**Inmates treated for Hepatitis C infection  
CMHC January, 1999 - December, 2004**

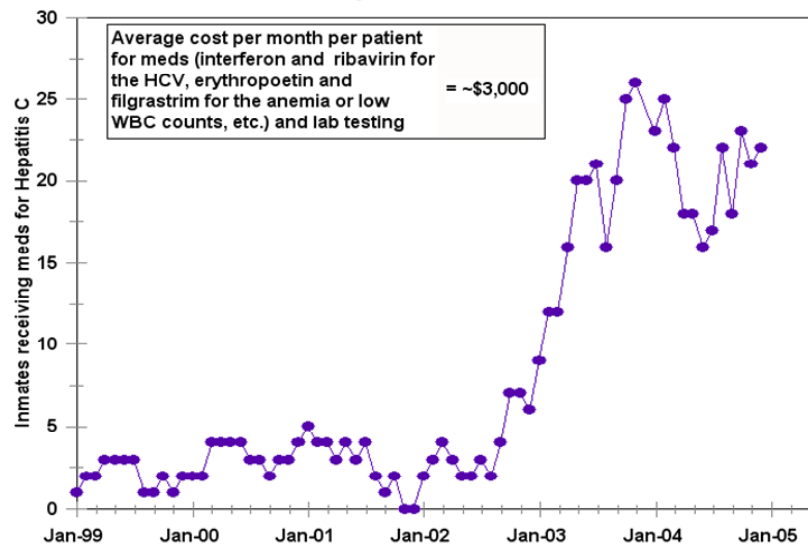


FIGURE 5

**Inmates treated for HIV infection  
CMHC January, 1999 - December, 2004**

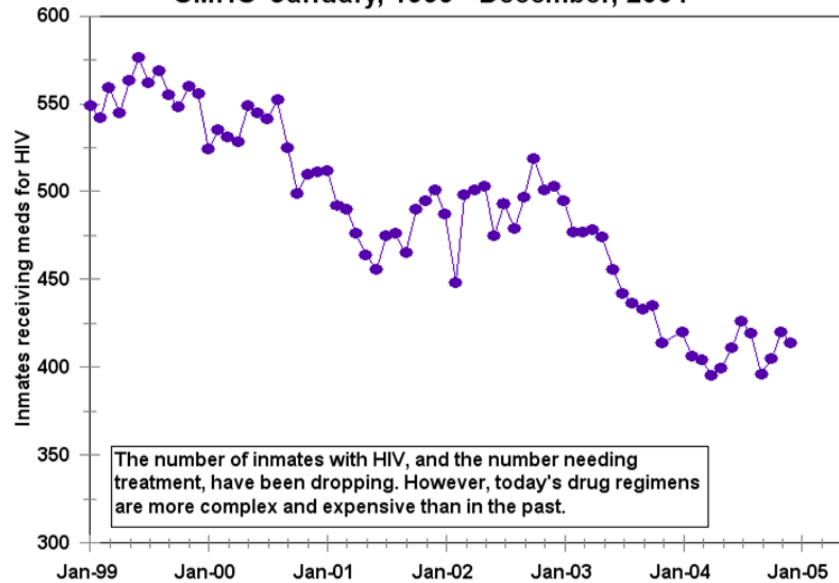
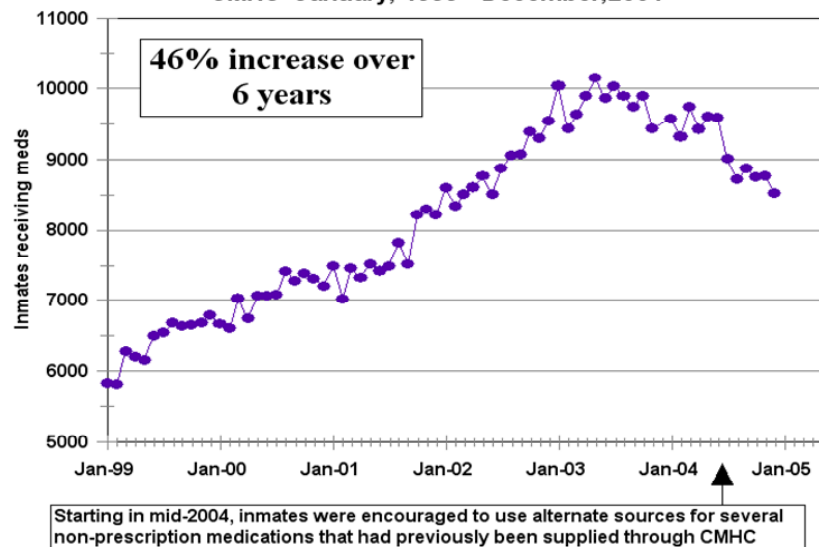


FIGURE 6

**Inmates receiving ANY med  
CMHC January, 1999 - December, 2004**



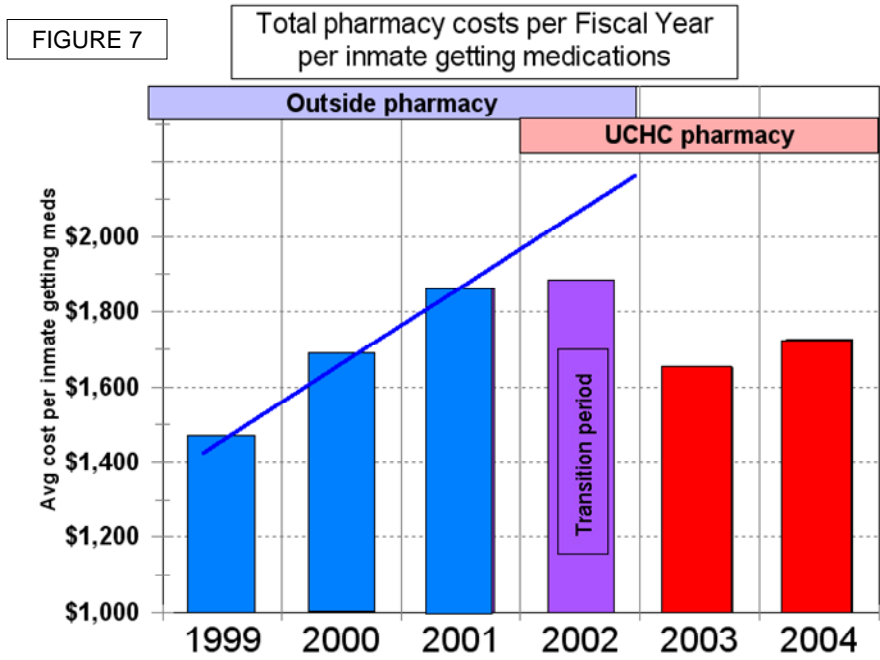


FIGURE 8

## Average Daily Medical Cost per Inmate Compared to Northeast Medical C.P.I. FY97- Present

Fiscal Year	Medical Cost per inmate per day	CPI Medical Cost per inmate per day	% CPI Medical *	Appropriation	Over/(Under) Cost per inmate Reimbursement Based on CPI	Average Annual Inmate Population at Year Close includes Half Way House
FY97	\$8.73			\$50,000,000		15,697
FY98	\$7.96	\$9.06	3.8%	\$47,500,000	(\$6,552,443.14)	16,348
FY99	\$7.85	\$9.42	4.0%	\$48,939,486	(\$9,829,948.67)	17,091
FY00	\$8.85	\$9.82	4.2%	\$57,786,442	(\$6,292,660.31)	17,884
FY01	\$10.56	\$10.35	5.4%	\$68,330,423	\$1,368,857.50	17,731
FY02	\$10.58	\$10.86	5.0%	\$71,680,740	(\$1,912,214.65)	18,559
FY03	\$10.72	\$11.29	3.9%	\$76,257,049	(\$4,062,350.87)	19,495
FY04	\$11.22	\$11.80	4.5%	\$77,910,471	(\$4,008,374.67)	19,027
			<b>4.4%</b>		<b>(\$31,289,134.81)</b>	

## Sources:

\*. US Department of Labor-BLS Northeast Urban Medical Care Not seasonally adjusted.

\*\*UCHC/CMHC Audited Financial Statements-FY98-FY04 cash reconciliation-JG.

\*\*\*UCHC/CMHC Audited Financial Statements-FY98-FY04 cash reconciliation-JG.

*Single inmate removed as outlier total FY03 \$1,382,658; FY04 \$103,513*

FY05 through 11/04 FS

Note: FY03 MacDougall expansion included-additional \$359,832.

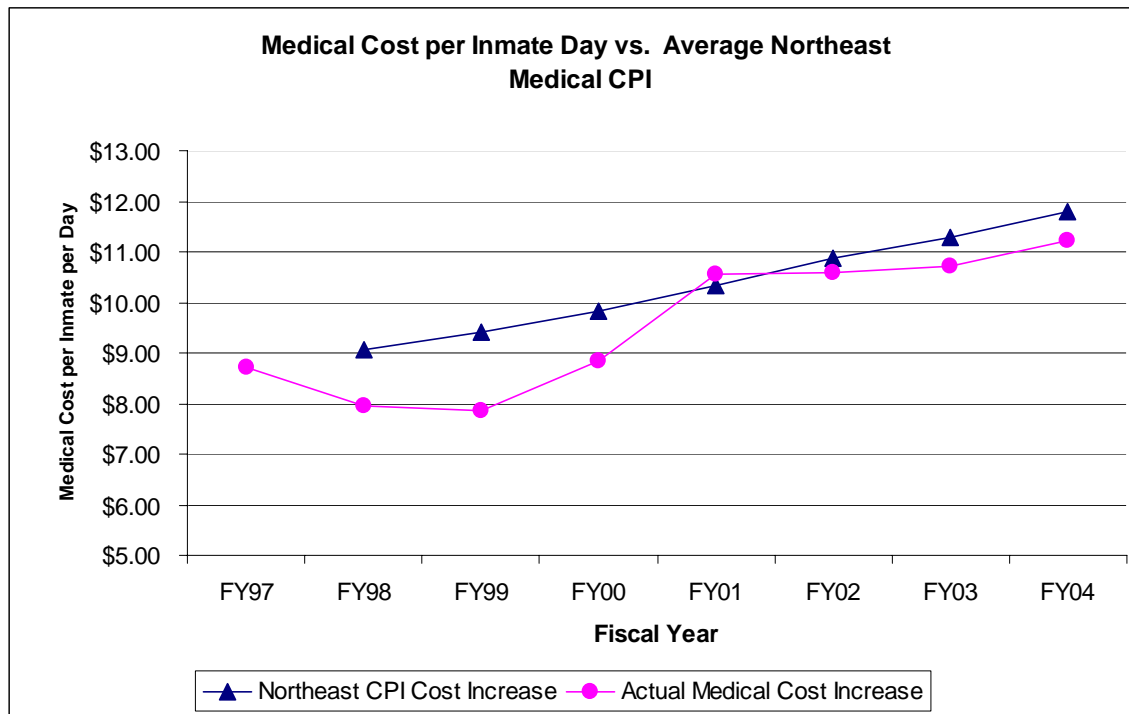
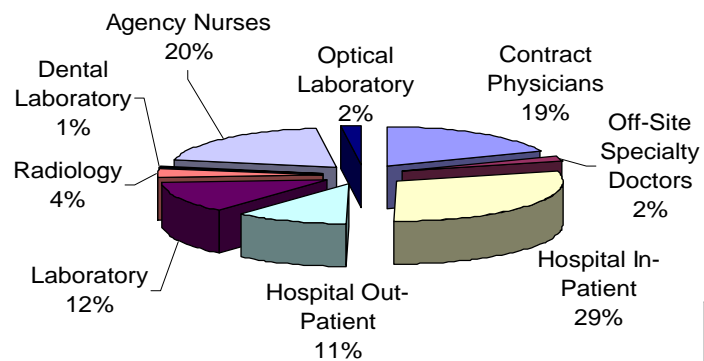
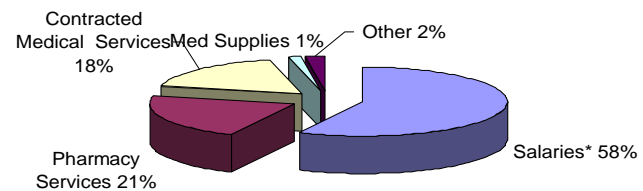


FIGURE 9

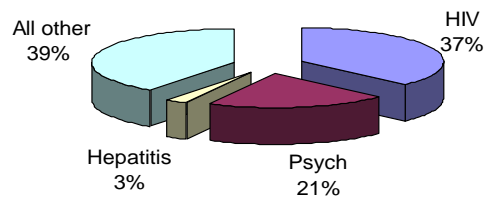
**Contracted  
Medical Services Detail  
(\$13,967,490)**



**FY2004 Total Medical Expense by Category  
(\$77,910,471)**



**Pharmaceutical-Drug  
Detail  
(\$13,966,892)**



**Salary Detail  
(\$44,087,371)**

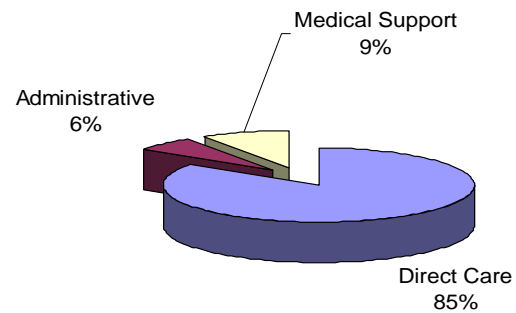


FIGURE 10

UHC - CMHC Administrative Costs

	FY 99		FY 00		FY 01		FY 02		FY 03		FY 04		FY 05		through December 04	
		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget
<b>Total Expenditures</b>	<b>\$51,652,385</b>		<b>\$59,061,332</b>		<b>\$65,411,336</b>		<b>\$71,612,878</b>		<b>\$76,731,969</b>		<b>\$77,437,504</b>		<b>\$41,303,610</b>			
<b>Central Office</b>																
<b>Personal Services</b>	\$ 1,696,224		\$ 1,876,775		\$ 2,283,061		\$ 2,627,342		\$ 3,174,372		\$ 2,539,974		\$ 1,716,162			
<b>Other Expenditures</b>	\$ 414,568		\$ 466,164		\$ 798,183		\$ 658,537		\$ 765,314		\$ 945,719		\$ 494,028			
	<b>\$ 2,110,792</b>	<b>4.09%</b>	<b>\$ 2,342,939</b>	<b>3.97%</b>	<b>\$ 3,081,244</b>	<b>4.71%</b>	<b>\$ 3,285,879</b>	<b>4.59%</b>	<b>\$ 3,939,686</b>	<b>5.13%</b>	<b>\$ 3,485,693</b>	<b>4.50%</b>	<b>\$ 2,210,190</b>	<b>5.35%</b>		
<b>Health Services Field Administration</b>																
<b>Personal Services</b>	\$ 565,410		\$ 1,006,014		\$ 1,134,800		\$ 1,335,678		\$ 1,196,394		\$ 1,098,427		\$ 600,490			
<b>Other Expenditures</b>			\$ 1,253		\$ -		\$ 1,469		\$ 67		\$ -		\$ -			
	<b>\$ 565,410</b>	<b>1.09%</b>	<b>\$ 1,007,267</b>	<b>1.71%</b>	<b>\$ 1,134,800</b>	<b>1.73%</b>	<b>\$ 1,337,147</b>	<b>1.87%</b>	<b>\$ 1,196,461</b>	<b>1.56%</b>	<b>\$ 1,098,427</b>	<b>1.42%</b>	<b>\$ 600,490</b>	<b>1.45%</b>		
<b>Total Central Office and Administration</b>	<b>\$ 2,676,202</b>	<b>5.18%</b>	<b>\$ 3,350,206</b>	<b>5.67%</b>	<b>\$ 4,216,044</b>	<b>6.45%</b>	<b>\$ 4,623,026</b>	<b>6.46%</b>	<b>\$ 5,136,147</b>	<b>6.69%</b>	<b>\$ 4,584,120</b>	<b>5.92%</b>	<b>\$2,810,680</b>	<b>6.80%</b>		

CMHC Administrative Positions	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Central Office Administration	28	32	39.8	36.2	48.25	42.39	40.12
Clinical Management	2	2	2	2	3	3.65	2.65
Health Services Field Administration	10	8	8	10	13	10	9
<b>Total Administrative Positions</b>	<b>40</b>	<b>42</b>	<b>49.8</b>	<b>48.2</b>	<b>64.25</b>	<b>56.04</b>	<b>51.77</b>

FIGURE 11

## NURSING MARKET PAY SCALE ANALYSIS

## LPN

	#	Average	Median		Range
<b>CMHC**</b>	<b>80</b>	<b>\$25.94</b>	<b>\$27.71</b>		<b>1199 Range: \$21.00 / \$24.53 / \$28.07</b>
CHA*	574	22.89	23.05		CHA range: \$16.50 / \$20.96 / \$25.53
UHP***	N/A				

29 institutions / 26% unionized

## NURSE

	#	Average	Median		Range
<b>CMHC</b>	<b>51</b>	<b>\$26.46</b>	<b>\$26.73</b>		<b>1199 Range: \$23.00 / \$26.73 / \$30.55</b>
CHA	11279	30.95	31.25		CHA range: \$23.41 / \$29.86 / \$37.46
UHP	375	28.39	29.10		UHP ladder: \$22.39 / \$28.03 / \$33.68

29 institutions / 41% unionized

## HEAD NURSE

	#	Average	Median		Range
<b>CMHC</b>	<b>137</b>	<b>\$34.59</b>	<b>\$33.67</b>		<b>1199: \$28.55 / \$33.67 / \$38.58</b>
CHA	236	34.82	34.93		CHA: \$26.17 / \$32.79 / \$39.49
UHP	27	31.25	33.02		UHP Ladder: \$23.64 / \$29.28 / \$34.93

17 institutions / 19% unionized

## NURSING SUPERVISOR

	#	Average	Median		Range
<b>CMHC</b>	<b>15</b>	<b>\$41.24</b>	<b>\$42.03</b>		<b>1199: \$33.03 / \$38.71 / \$44.32</b>
CHA	117	37.62	37.00		CHA: \$27.49 / \$34.34 / \$41.36
UHP	7	31.62	31.50		UHP: \$27.13 / \$30.62 / \$34.99

8 institutions / 0% unionized

\* Connecticut Hospital Association survey data, 10/15/04. .

\*\* Correctional Managed Health Care (nurses represented by 1199.)

\*\*\* University Health Professionals (represents the nurses employed at the UCONN Health Center except LPNs)

UHP/CMHC data as of 02/07/05.





# Bureau of Justice Statistics Special Report

June 2004, NCJ 202949

# State Prison Expenditures, 2001

By James J. Stephan  
BJS Statistician

Correctional authorities spent \$38.2 billion to maintain the Nation's State correctional systems in fiscal year 2001, including \$29.5 billion specifically for adult correctional facilities. Day-to-day operating expenses totaled \$28.4 billion, and capital outlays for land, new building, and renovations, \$1.1 billion.

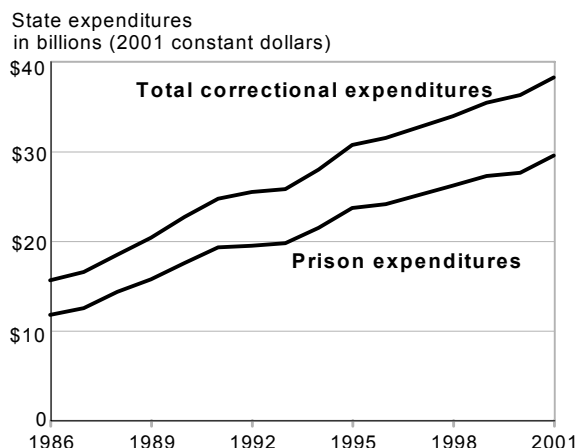
The average annual operating cost per State inmate in 2001 was \$22,650, or \$62.05 per day. Among facilities operated by the Federal Bureau of Prisons, it was \$22,632 per inmate, or \$62.01 per day.

In a followup to a study based on FY 1996 data, this report presents unique statistics on the cost of operating State prisons in FY 2001. Information was obtained by extracting corrections data from each State's responses to the U.S. Census Bureau's annual *Survey of Government Finances*. Item categories were standardized across jurisdictions, and reported figures were verified with State budget officials.

Expenditures are the total amounts paid for prison operations, including interest on indebtedness. Figures are net of amounts derived from revenue-generating activities such as farm and industrial production and services.

## Highlights

**States spent \$29.5 billion for prisons in 2001, about a \$5½ billion increase from 1996, after adjusting for inflation**



- Prison operations consumed about 77% of State correctional costs in FY 2001. The remaining 23% was spent on juvenile justice, probation and parole, community-based corrections, and central office administration.

- State prison costs per U.S. resident more than doubled between 1986 and 2001.

Year	State prison costs*	
	Total (in billions)	Each year per U.S. resident
2001	\$29.5	\$104
1996	24.0	91
1991	19.2	76
1986	11.7	49

\*2001 constant dollars.

- State correctional expenditures increased 145% in 2001 constant dollars from \$15.6 billion in FY 1986 to \$38.2 billion in FY 2001; prison expenditures increased 150% from \$11.7 billion to \$29.5 billion.

- Excluding capital spending, the average cost of operating State prisons in FY 2001 was \$100 per U.S. resident, up from \$90 in FY 1996.

- Outlays for new prison construction, renovations, equipment, and other capital account activities amounted to less than 4% of total prison expenditures in most States.

- Spending on medical care for State prisoners totaled \$3.3 billion, or 12% of operating expenditures in 2001.

**Table 1. Annual per capita costs, in 2001 constant dollars, for selected State expenditures, 1986-2001**

Fiscal year	State expenditures as costs per resident					
	Total corrections	Prisons	Health	Education	Public welfare	Natural resources
1986	\$65	\$49	\$78	\$842	\$425	\$44
1991	98	76	109	998	632	52
1996	119	91	141	1,143	849	56
2001	134	104	154	1,315	914	61
Average annual percent change, 1986-2001*	6.2%	6.4%	5.8%	4.2%	6.4%	3.3%

Sources: U.S. Census Bureau, *Survey of State Government Finances*, 1986-2001 editions; U.S. Census Bureau, *Current Population Estimates and Projections, 1986-1996*; and unpublished data from 2001 Current Population Estimates. Bureau of Economic Analysis, chain-type price indexes for gross domestic product, 1959-2002, in *Economic Report of the President*, table B-7, February 2003.

\*Based on total expenditures.

### The increase in cost of corrections outpaced the cost of health, education, or natural resources

State spending for corrections increased from \$65 per resident in 1986 to \$134 in 2001 (table 1). Per capita expenditures for State prison operations alone rose from \$49 in 1986 to \$104 in 2001.

At an average annual increase of 6.2% for total State correctional spending and 6.4% specifically for prisons, increases in the cost of adult incarceration outpaced those of health care (5.8%), education (4.2%), and natural resources (3.3%).

Although correctional spending grew at a faster rate than many other State payments between 1986 and 2001, it remained one of the smaller cost items. For example, the outlay for education, at \$374.5 billion, was nearly 10 times larger, and that for welfare, at \$260.3 billion, was nearly 7 times larger.

#### Selected State expenditures, FY 2001:

Education	\$374.5 billion
Public welfare	260.3
Health	43.7
Total corrections	38.2
Prisons	29.5
Natural resources	17.3

State correctional expenditures include the cost of operating prisons and related institutions. Such institutions are reformatories; prison farms; centers for the reception, evaluation, and classification of inmates; and correctional facilities exclusively for the criminally insane or for the treatment of drug and alcohol addiction.

State correctional expenditures are primarily for operating adult facilities. Other spending pays for juvenile correctional activities, adult parole boards and programs (including court programs), and correctional administration not associated with specific penal institutions.

### States spent \$29.5 billion on prisons in fiscal 2001

State prison expenditures totaled \$29.5 billion in fiscal year 2001. Adjusted for inflation, this was approximately \$5.5 billion more than was spent in FY 1996.

California reported the largest prison expenditure, \$4.2 billion, and North Dakota the smallest, \$26.8 million.

#### States with the largest prison expenditures:

California	\$4.2 billion
New York	2.8
Texas	2.3
Michigan	1.6

#### States with the smallest prison expenditures:

North Dakota	\$26.8 million
South Dakota	37.5
Vermont	46.1
Wyoming	56.2

As a non-State activity, correctional spending by the Federal Bureau of Prisons (BOP) was outside the scope of this report. However, outlays for its operations in FY 2001 amounted to \$3.8 billion, or about 11% of the Nation's prison expenditure.

### Operating costs averaged \$22,650 per inmate in fiscal year 2001

State prison operating expenditures totaled \$28.4 billion in fiscal year 2001 (table 2). This total, divided by the number of prisoners, produced a nationwide average annual operating cost per inmate of \$22,650. Adjusted for inflation, the equivalent figure in 1996 was \$22,515.

States with the highest reported average annual operating costs per inmate:

Maine	\$44,379
Rhode Island	38,503
Massachusetts	37,718
Minnesota	36,836
New York	36,835

States with the lowest reported average annual operating costs per inmate:

Alabama	\$ 8,128
Mississippi	12,795
Missouri	12,867
Louisiana	12,951
Texas	13,808

The average operating cost to incarcerate one inmate in the Federal Bureau of Prisons system during FY 2001 was \$22,632.

The \$28.4 billion State operating cost, divided by the U.S. resident population, resulted in a nationwide average operating expenditure of \$100 per person. The highest costs per resident were recorded in the District of Columbia (\$251), Alaska (\$243), and Delaware (\$204). The lowest costs per resident were in West Virginia (\$34), North Dakota (\$38), and New Hampshire and Minnesota (\$48 each).

State correctional systems with integrated jail-prison facilities may have higher operating costs than other jurisdictions because the costs of housing jail inmates are included as State expenditures. Of the six States with integrated jail-prison systems in 2001, four had average annual operating costs per resident above the average for States not operating integrated systems.

Annual operating costs per resident among —

States with integrated jail-prison systems	\$143
Alaska	243
Delaware	204
Connecticut	148
Rhode Island	114
Hawaii	96
Vermont	73
Other State systems	\$99

**Table 2. Total, operating, and capital expenditures, and operating costs per State inmate and per U.S. resident, fiscal year 2001**

Region and State	Expenditures (1,000's of dollars)			Annual operating costs		Prisoners under State authority on 6/30/01
	Total	Operating	Capital	Per inmate	Per U.S. resident	
<b>Total</b>	\$29,491,268	\$28,374,273	\$1,116,995	\$22,650	\$100	1,252,743
<b>Northeast</b>	\$6,056,762	\$5,712,994	\$343,769	\$33,037	\$106	172,925
Connecticut <sup>a</sup>	523,960	506,905	17,055	26,856	148	18,875
Maine	76,479	75,133	1,346	44,379	58	1,693
Massachusetts	413,071	404,862	8,209	37,718	63	10,734
New Hampshire	62,754	60,279	2,475	25,949	48	2,323
New Jersey	799,560	768,661	30,899	27,347	91	28,108
New York	2,807,259	2,547,452	259,807	36,835	134	69,158
Pennsylvania	1,203,219	1,183,668	19,551	31,900	96	37,105
Rhode Island <sup>a</sup>	124,333	121,167	3,165	38,503	114	3,147
Vermont <sup>a</sup>	46,128	44,867	1,261	25,178	73	1,782
<b>Midwest</b>	\$6,327,346	\$5,952,214	\$375,132	\$24,779	\$92	240,213
Illinois	1,011,311	996,738	14,573	21,844	80	45,629
Indiana	477,628	449,406	28,222	21,841	73	20,576
Iowa	188,391	186,298	2,093	22,997	64	8,101
Kansas	199,843	182,655	17,189	21,381	68	8,543
Michigan	1,582,611	1,573,273	9,338	32,525	157	48,371
Minnesota	253,385	239,953	13,432	36,836	48	6,514
Missouri	436,081	362,429	73,652	12,867	64	28,167
Nebraska	126,857	99,865	26,992	25,321	58	3,944
North Dakota	26,796	24,219	2,577	22,425	38	1,080
Ohio	1,277,622	1,201,269	76,354	26,295	106	45,684
South Dakota	37,529	37,030	499	13,853	49	2,673
Wisconsin	709,292	599,080	110,212	28,622	111	20,931
<b>South</b>	\$10,002,325	\$9,750,580	\$251,745	\$16,479	\$91	563,818
Alabama	228,871	221,774	7,097	8,128	50	27,286
Arkansas	199,003	192,611	6,392	15,619	72	12,332
Delaware <sup>a</sup>	166,327	162,397	3,930	22,802	204	7,122
Dist. of Columbia <sup>b</sup>	143,700	143,700	...	26,670	251	5,388
Florida	1,484,799	1,453,799	31,000	20,190	89	72,007
Georgia	923,505	900,918	22,586	19,860	107	45,363
Kentucky	288,438	274,404	14,034	17,818	67	15,400
Louisiana	479,260	459,686	19,573	12,951	103	35,494
Maryland	645,620	632,749	12,872	26,398	118	23,970
Mississippi	266,196	264,503	1,693	12,795	93	20,672
North Carolina	863,892	840,347	23,545	26,984	103	31,142
Oklahoma	384,060	377,378	6,682	16,309	109	23,139
South Carolina	405,238	373,249	31,989	16,762	92	22,267
Tennessee <sup>c</sup>	421,807	421,807	...	18,206	73	23,168
Texas	2,315,899	2,270,959	44,940	13,808	106	164,465
Virginia	723,767	699,104	24,663	22,942	97	30,473
West Virginia	61,944	61,194	750	14,817	34	4,130
<b>West</b>	\$7,104,834	\$6,958,485	\$146,349	\$25,231	\$108	275,787
Alaska <sup>a</sup>	154,650	154,156	494	36,730	243	4,197
Arizona	618,571	609,910	8,661	22,476	115	27,136
California	4,166,573	4,107,844	58,729	25,053	119	163,965
Colorado	466,551	435,037	31,514	25,408	98	17,122
Hawaii <sup>a,d</sup>	117,101	117,101	...	21,637	96	5,412
Idaho	95,494	92,821	2,673	16,319	70	5,688
Montana	71,994	71,169	825	21,898	79	3,250
Nevada	182,092	180,834	1,258	17,572	86	10,291
New Mexico	149,077	148,249	828	28,035	81	5,288
Oregon	404,255	399,436	4,819	36,060	115	11,077
Utah	133,963	133,683	281	24,574	59	5,440
Washington	488,314	459,814	28,500	30,168	77	15,242
Wyoming	56,199	48,431	7,768	28,845	98	1,679

Note: Forty-six States and the District of Columbia began their fiscal years in July and ended them in June. Exceptions included Alabama and Michigan, October to September; New York, April to March; and Texas, September to August. Detail may not add to total because of rounding.

... Not reported.

<sup>a</sup>States have integrated jail-prison systems.

<sup>b</sup>The District of Columbia reported no capital

outlays during FY 2001, a transition period during which its sentenced felons were being transferred to the Federal Bureau of Prisons.

<sup>c</sup>During FY 2001 Tennessee spent capital amounts from sources outside its Department of Correction.

<sup>d</sup>Hawaii's Department of Public Safety, Corrections Division had nonrecurring expenditures which State budget officials excluded from the capital category.

**Compared to 1996, prison spending in 2001 revealed a greater emphasis on facility operation**

Over three-fourths of the States spent 96% or more of prison funds on current operations such as salaries, wages, benefits, supplies, maintenance, and contractual services. In 1996 State spending on current operations accounted for 94% of total expenditures.

The District of Columbia, Hawaii, Alaska, Tennessee, and Utah allocated all or nearly all prison expenditures to current operating activities. By contrast, Nebraska spent the lowest proportion (79%), followed by Missouri (83%), Wisconsin (84%), and Wyoming (86%).

Salaries, wages, and benefits made up about two-thirds of State prison operating expenditures, nationwide, in 2001 (table 3). Other operating costs comprised about a third. Other operating costs covered a wide variety of outlays, such as inmate health care, food, utilities, supplies, fees, commissions, and contractual services.

**A majority of States spent 4% or less of prison expenditures on capital projects**

Thirty-seven jurisdictions used 4% or less of all prison dollars to finance new construction, renovations, major repairs, equipment, land, buildings, and other nonrecurring outlays during FY 2001 (table 4). Among this group, the District of Columbia, Alaska, Hawaii, and Utah spent less than 1%. Four other States allocated significant proportions of prison funds to capital projects: Nebraska (21%), Missouri (17%), Wisconsin (16%), and Wyoming (14%).

**Table 3. Components of State prison operating expenditures, fiscal year 2001**

Region and jurisdiction	Operating expenditures (1,000's of dollars)		
	Total	Salaries, wages and benefits	Other operating costs
<b>Total</b>	\$28,374,273	\$18,583,923	\$9,790,350
<b>Northeast</b>	\$5,712,994	\$4,014,190	\$1,698,803
Connecticut*	506,905	316,497	190,408
Maine	75,133	51,147	23,986
Massachusetts	404,862	297,405	107,457
New Hampshire	60,279	42,476	17,803
New Jersey	768,661	443,235	325,426
New York	2,547,452	1,969,750	577,702
Pennsylvania	1,183,668	765,038	418,629
Rhode Island*	121,167	101,999	19,168
Vermont*	44,867	26,643	18,224
<b>Midwest</b>	\$5,952,214	\$3,960,772	\$1,991,442
Illinois	996,738	713,339	283,399
Indiana	449,406	304,310	145,096
Iowa	186,298	149,039	37,260
Kansas	182,655	107,721	74,934
Michigan	1,573,273	1,116,883	456,390
Minnesota	239,953	159,981	79,971
Missouri	362,429	220,790	141,639
Nebraska	99,865	64,327	35,538
North Dakota	24,219	13,734	10,485
Ohio	1,201,269	760,668	440,601
South Dakota	37,030	19,956	17,074
Wisconsin	599,080	330,025	269,055
<b>South</b>	\$9,750,580	\$6,017,146	\$3,733,434
Alabama	221,774	153,077	68,697
Arkansas	192,611	108,960	83,651
Delaware*	162,397	110,751	51,646
District of Columbia	143,700	63,545	80,155
Florida	1,453,799	955,791	498,008
Georgia	900,918	678,964	221,954
Kentucky	274,404	124,787	149,617
Louisiana	459,686	196,078	263,609
Maryland	632,749	351,870	280,879
Mississippi	264,503	125,045	139,458
North Carolina	840,347	603,932	236,415
Oklahoma	377,378	189,432	187,946
South Carolina	373,249	266,518	106,732
Tennessee	421,807	168,295	253,511
Texas	2,270,959	1,343,459	927,500
Virginia	699,104	539,590	159,514
West Virginia	61,194	37,052	24,142
<b>West</b>	\$6,958,485	\$4,591,814	\$2,366,671
Alaska*	154,156	81,508	72,648
Arizona	609,910	408,558	201,352
California	4,107,844	2,873,065	1,234,778
Colorado	435,037	275,095	159,942
Hawaii*	117,101	64,813	52,288
Idaho	92,821	52,401	40,420
Montana	71,169	35,677	35,492
Nevada	180,834	123,037	57,798
New Mexico	148,249	75,527	72,723
Oregon	399,436	197,265	202,171
Utah	133,683	82,152	51,531
Washington	459,814	299,391	160,423
Wyoming	48,431	23,326	25,105

Note: Detail may not add to total because of rounding.

\*States have integrated jail-prison systems.

**Table 4. Components of State prison capital expenditures, fiscal year 2001**

Region and jurisdiction	Capital costs (\$1,000's)	
	Construction	Equipment
<b>Total</b>	\$860,954	\$253,247
<b>Northeast</b>	\$310,770	\$32,998
Connecticut <sup>a</sup>	12,837	4,218
Maine	425	921
Massachusetts	4,016	4,194
New Hampshire	1,338	1,137
New Jersey	17,285	13,614
New York	259,807	...
Pennsylvania	11,739	7,812
Rhode Island <sup>a</sup>	2,505	660
Vermont <sup>a</sup>	819	442
<b>Midwest</b>	\$299,321	\$75,701
Illinois	2,219	12,354
Indiana	17,475	10,747
Iowa	334	1,748
Kansas	15,647	1,542
Michigan	272	9,066
Minnesota	4,183	9,249
Missouri	73,230	421
Nebraska	25,256	1,736
North Dakota	2,390	188
Ohio	59,420	16,933
South Dakota	235	264
Wisconsin	98,660	11,452
<b>South</b>	\$147,512	\$102,549
Alabama	5,448	1,649
Arkansas	4,973	1,273
Delaware <sup>a</sup>	...	3,930
District of Columbia <sup>b</sup>	...	...
Florida	14,129	15,820
Georgia	7,236	15,318
Kentucky	11,881	1,876
Louisiana	15,100	4,473
Maryland	2,075	10,797
Mississippi	430	1,263
North Carolina	16,854	6,513
Oklahoma	1,262	5,420
South Carolina	30,408	1,581
Tennessee <sup>c</sup>	...	...
Texas	28,311	16,629
Virginia	9,210	15,453
West Virginia	195	554
<b>West</b>	\$103,351	\$41,999
Alaska <sup>a</sup>	...	494
Arizona	1,365	7,296
California	39,237	19,329
Colorado	24,863	6,651
Hawaii <sup>a,d</sup>	...	...
Idaho	800	1,874
Montana	7	804
Nevada	...	1,258
New Mexico	530	266
Oregon	3,202	1,396
Utah	...	281
Washington	27,700	231
Wyoming	5,648	2,120

... Not reported.

<sup>a</sup>States have integrated jail-prison systems.

<sup>b</sup>The District of Columbia transferred its sentenced felons to the Federal Bureau of Prisons during FY 2001.

<sup>c</sup>Tennessee spent capital amounts from sources outside its Department of Correction.

<sup>d</sup>Hawaii's Department of Public Safety, Corrections Division, excluded some nonrecurring expenditures from the capital category.

## Spending on State prison capital projects decreased 25% from 1996 to 2001

Total capital expenditures of State prisons, adjusted for inflation, declined 25% from \$1.5 billion in FY 1996 to \$1.1 billion in FY 2001.

	State prison capital expenditures for fiscal year (\$1,000's)	
	2001	1996*
Total	\$1,116,995	\$1,489,755
Construction	860,954	929,786
Equipment	253,247	346,662
Land and other capital	2,794	213,307

\*In 2001 dollars.

More than three-fourths of State prison capital expenditures were for new construction, renovations, and major repairs, including fees and services of architects, engineers, appraisers, and attorneys (table 4.) In FY 2001 these components consumed nearly the entire capital account in Missouri (99%) and Washington (97%).

The second-largest capital expenditure was for equipment purchases and installations, including furnishings, office equipment, motor vehicles, and other devices having a useful life of more than 5 years. The average outlay was approximately 23% of total capital

## Many factors associated with variation in prison costs

Much of the variation between States in the cost of operating prisons was outside the influence of correctional officials: differences in the cost of living, variation in prevailing wage rates, climate, and other factors. Although important, they were beyond the scope of this study.

However, certain corrections-related factors were possible to analyze. For example, employee salaries, wages, and benefits consumed more than half of prison operating expenditures. Their influence was measurable by comparing inmate-to-staff ratios with operating costs per inmate. High inmate-to-staff ratios were most common in States reporting low average costs per inmate, and low inmate-to-staff ratios predominated in States with high average annual costs per inmate.

States with the lowest inmate-to-staff ratios:

	Inmates per employee	Operating cost per inmate per day
Maine	1.7	\$122
Massachusetts	1.8	\$103
Vermont	1.8	\$69
West Virginia	2.0	\$41

States with the highest inmate-to-staff ratios:

Inmates per	Operating cost per inmate
-------------	---------------------------

	employee	per day
Alabama	6.8	\$22
Nevada	4.8	\$48
South Dakota	4.6	\$38
Arkansas	4.0	\$43

Cost savings may also have been made from the operation of larger capacity prisons. Eight of the 10 States with average annual operating expenditures per inmate over \$30,000 had an average number of inmates per facility under 800. By contrast, 3 of the 7 States with average annual operating expenditures per inmate under \$15,000 had an average number of inmates per facility over 800.

Transfer payments, which included intergovernmental monies from one government to another as well as intra-governmental payments from one department or agency to another, varied significantly by State. In the 1996 State prison expenditure study, when these payments were last identified separately, departments of corrections in the South received about 8% of their total expenditures from transfer payments, compared to about 4% in other regions.

spending. In Alaska, Delaware, Nevada, and Utah, however, equipment accounted for the entire capital spending category in FY 2001.

The purchase of land, rights-of-way, existing structures, title searches, and related costs (not shown in table 4) included less than half of 1% of State prison capital expenditures, nationwide. Four States reported outlays in this category that exceeded 2%: Oregon (4.6%), New Mexico (3.9%), Florida (3.4%), and Arkansas (2.3%).

### Over a quarter of prison operating costs for basic living expenses

Prisoner medical care, food service, utilities, and contract housing totaled \$7.3 billion, or about 26% of State prison current operating expenses.

**Inmate medical care** totaled \$3.3 billion, or about 12% of operating expenditures. Supplies and services of government staff and full-time and part-time managed care and fee-for-service providers averaged \$2,625 per inmate, or \$7.19 per day (table 5). By comparison, the average annual health care expenditure of U.S. residents, including all sources in FY 2001, was \$4,370, or \$11.97 per day.\*

Five States reported annual medical costs per inmate above \$4,000: Maine (\$5,601), New Mexico (\$4,665), California (\$4,394), Massachusetts (\$4,049), and Alaska (\$4,047). Three States spent less than \$1,000 per inmate: Louisiana (\$860), Montana (\$922), and Kentucky (\$960).

Factors beyond the scope of this report contributed to the variation in spending levels for prisoner medical care. Lacking economies of scale, some States had significantly higher than average medical costs for everyone, and some had higher proportions of inmates whose abuse of drugs or

alcohol had led to disease. Also influencing variations in expenditures were staffing and funding of prisoner health

care and distribution of specialized medical equipment for prisoner treatment.

**Table 5. State prison expenditures for medical care, food service, and utilities, fiscal year 2001**

Region and jurisdiction	1,000's of dollars			Cost per inmate in 2001		
	Medical care	Food service	Utilities	Medical care	Food service	Utilities
<b>Total</b>	\$3,288,200	\$1,195,854	\$996,027	\$2,625	\$955	\$795
<b>Northeast</b>	\$590,935	\$210,400	\$203,294	\$3,417	\$1,217	\$1,176
Connecticut <sup>a</sup>	68,330	23,451	19,838	3,620	1,242	1,051
Maine	9,483	3,107	2,781	5,601	1,835	1,643
Massachusetts	43,460	9,497	21,266	4,049	885	1,981
New Hampshire	3,964	2,035	3,393	1,706	876	1,461
New Jersey	91,652	22,760	31,140	3,261	810	1,108
New York	219,735	66,618	85,824	3,177	963	1,241
Pennsylvania	137,291	77,083	37,452	3,700	2,077	1,009
Rhode Island <sup>a,b</sup>	11,820	4,107	636	3,756	1,305	202
Vermont <sup>a</sup>	5,199	1,741	963	2,918	977	540
<b>Midwest</b>	\$543,001	\$290,949	\$198,432	\$2,260	\$1,211	\$826
Illinois	73,235	52,481	38,355	1,605	1,150	841
Indiana	37,601	19,965	19,018	1,827	970	924
Iowa	16,713	14,225	7,253	2,063	1,756	895
Kansas	22,835	11,975	7,592	2,673	1,402	889
Michigan	137,414	48,148	37,970	2,841	995	785
Minnesota	25,458	10,843	7,930	3,908	1,665	1,217
Missouri	50,207	21,144	19,050	1,782	751	676
Nebraska	12,406	5,627	2,568	3,145	1,427	651
North Dakota	2,892	1,803	939	2,678	1,670	870
Ohio	111,693	75,445	40,729	2,445	1,651	892
South Dakota	5,465	4,173	1,225	2,044	1,561	458
Wisconsin	47,082	25,119	15,802	2,249	1,200	755
<b>South</b>	\$1,141,489	\$411,988	\$377,792	\$2,025	\$731	\$670
Alabama	28,700	7,152	12,616	1,052	262	462
Arkansas	19,924	5,233	4,843	1,616	424	393
Delaware <sup>a</sup>	14,762	9,624	6,651	2,073	1,351	934
District of Columbia	10,425	2,955	2,688	1,935	549	499
Florida	242,132	78,483	44,792	3,363	1,090	622
Georgia	117,384	52,174	36,280	2,588	1,150	800
Kentucky	14,782	8,688	8,338	960	564	541
Louisiana	30,535	12,381	11,584	860	349	326
Maryland	52,193	15,316	28,454	2,177	639	1,187
Mississippi	25,946	6,142	7,149	1,255	297	346
North Carolina	45,558	5,935	31,165	1,463	191	1,001
Oklahoma	46,457	23,395	9,691	2,008	1,011	419
South Carolina	28,716	9,679	15,533	1,290	435	698
Tennessee	35,943	25,552	12,969	1,551	1,103	560
Texas	329,162	104,871	103,449	2,001	638	629
Virginia	87,320	39,856	39,293	2,866	1,308	1,289
West Virginia	11,550	4,550	2,296	2,797	1,102	556
<b>West</b>	\$1,012,775	\$282,516	\$216,508	\$3,672	\$1,024	\$785
Alaska <sup>a</sup>	16,987	5,242	6,930	4,047	1,249	1,651
Arizona	75,024	32,461	19,840	2,765	1,196	731
California	720,436	140,922	125,890	4,394	859	768
Colorado	43,509	24,399	13,242	2,541	1,425	773
Hawaii <sup>a</sup>	9,788	9,615	5,207	1,809	1,777	962
Idaho	9,757	3,660	2,579	1,715	643	453
Montana	2,997	1,380	1,094	922	425	337
Nevada	29,546	14,414	8,023	2,871	1,401	780
New Mexico	24,669	4,514	3,339	4,665	854	632
Oregon	14,222	7,359	8,865	1,284	664	800
Utah	7,308	5,214	3,280	1,343	958	603
Washington	51,998	31,617	16,672	3,412	2,074	1,094
Wyoming	6,533	1,719	1,547	3,891	1,024	921

<sup>a</sup>States have integrated jail-prison systems.

<sup>b</sup>The Rhode Island State Department of Health and Hospitals operated a centralized power plant that provided utilities to prisons and other government agencies. Utilities were unmetered and costs were allocated on the basis of square footage.

\*U.S. Department of Health and Human Services, National Center for Health Statistics, citing Centers for Medicare and Medicaid Services in *Health, United States, 2003*, table 116.

**Food service** in FY 2001 cost \$1.2 billion, or approximately 4% of State prison operating expenditures.

As a percentage of total prison operating costs, South Dakota and Hawaii allocated the largest proportions to food services, 11.3% and 8.2%, respectively, and North Carolina and Oregon allocated the smallest proportions, 0.7% and 1.8%.

On average nationwide, State departments of correction spent \$2.62 to feed inmates each day. Pennsylvania (\$5.69) and Washington (\$5.68) reported the largest amounts, followed by Maine (\$5.03), Hawaii (\$4.87), and Iowa (\$4.81). North Carolina indicated the lowest cost (\$0.52), followed by Alabama (\$0.72), Mississippi (\$0.81), and Louisiana (\$0.96).

Reports of low food costs often reflected prisoner-operated farm and food processing operations. For example, Mississippi State Penitentiary, Parchman, and South Mississippi State Penitentiary, Leakesville, grew a wide variety of fruits, vegetables and grains, and raised livestock for other Mississippi prisons. Prison enterprises in North Carolina operated a cannery, a meat processing plant, warehouses, and trucks to deliver food and equipment to correctional facilities statewide.

**Utility** services for electricity, natural gas, heating oil, water, sewerage, trash removal, and telephone in State prisons totaled \$996 million in FY 2001.

Utilities accounted for about 3.5% of State prison operating expenditure. Among individual States, they consumed the most in Alabama (5.7%), New Hampshire and Virginia (5.6%), and the least in Rhode Island (0.5%), and Montana (1.5%).

Daily utility costs ranged from a high of \$5.43 per inmate in Massachusetts, \$4.52 in Alaska, and \$4.50 in Maine to a low of \$0.55 in Rhode Island, \$0.89 in Louisiana, and \$0.92 in Montana.

## 40 State correctional systems paid others to house some prisoners

All but 11 States had expenses relating to the contract housing of prison inmates in private facilities, local jails, other States' facilities, or Federal facilities. The 11 States not reporting contract housing costs for inmates in FY 2001 were Alabama, Iowa, Kansas, Illinois, Maine, Massachusetts, Missouri, New Hampshire, North Carolina, Washington, and West Virginia.

Contract housing averaged 6% of operating expenses, nationwide. However, seven States spent more than 3 times this proportion:

	Contract housing cost as a percentage of total prison expenditure
Montana	37%
Louisiana	37
Tennessee	36
Oklahoma	30
Mississippi	26
Alaska	23
New Mexico	22

Montana spent \$26.1 million, all of it to house inmates in private facilities. Louisiana paid \$171.1 million, 81% of it to house inmates in local jails; and Tennessee spent \$150.7 million, about a third of it to hold inmates in private facilities and two-thirds in local jails.

## Methodology

Following a procedure similar to that used to produce *State Prison Expenditures, 1996*, BJS asked government finance specialists at the U.S. Census Bureau to identify each State's corrections function codes, as reported in the *FY 2001 Survey of Government Finances*. Census staff entered this information into a data base, using a standardized format provided by BJS.

The data to produce the graph in the *Highlights* on page 1 are available with other tables of the report on the BJS website <[www.ojp.usdoj.gov/bjs](http://www.ojp.usdoj.gov/bjs)>. These data include inflation-adjusted costs for total State corrections and prisons as well as costs per U.S. resident.

This data extraction procedure included both inter- and intragovernmental transfer payments, and clarified missing, repetitious, and out-of-range data items.

Both department of corrections and State central office budget specialists were asked to review the originally submitted numbers. These officials worked with the Census Bureau to eliminate duplicate reports, interpret expenditure codes, and understand organizational functions and accounting procedures.

Budget officials sharpened the scope of the study by including expenditures for central office personnel who performed prison activities and deleting outlays that pertained to probation and parole services, juvenile corrections, and nonresidential community corrections — areas outside the prison function.

Upon final approval by each State's designated financial reviewer, Census staff completed the data adjustment phase of the project with a 100% response rate for total and operating expenditures.

## Underreporting

Correctional expenditures shown in the *Highlights* figure may be underreported. As the result of discussions between State budget officials and U.S. Census Bureau specialists in government finance who collected the data for this report, the total cost to operate State prisons in FY 2001 was 1.1% higher than originally reported to the Census Bureau in the *2001 Survey of Government Finances*.

Factors which contributed to the revised FY 2001 State prison spending figure included adjustments for central office staff assigned to prison, probation, parole, and juvenile activities; elimination of duplicate fund reporting; and access to final numbers following State submissions of preliminary numbers in the *Survey of Government Finances*.

### Data limitations

Expenditure data published in *State Prison Expenditures, 2001* and *State Prison Expenditures, 1996* were reported by State budget officials, based on categories established by the Census Bureau's annual *Survey of Government Finances*. Previous State prison cost data published by BJS were reported by correctional facility operators.

### Adjusting for inflation

State government expenditures for fiscal years 1996 and 2001 were inflation-adjusted in 2001 constant dollars, as appropriate for State and local government spending. The following annual chain-type price indexes for gross domestic product were employed

as divisors and unadjusted expenditures as dividends to produce inflation-adjusted expenditures in 2001 constant dollars:

Price indexes		Price indexes	
Year	(1996 base)	Year	(1996 base)
1986	0.7410	1994	0.9504
1987	0.7726	1995	0.9777
1988	0.7960	1996	1.0000
1989	0.8241	1997	1.0258
1990	0.8616	1998	1.0435
1991	0.8864	1999	1.0733
1992	0.9028	2000	1.1198
1993	0.9259	2001	1.1501

U.S. Department of Commerce, Bureau of Economic Analysis, developed the above indexes, published in *Economic Report of the President, February, 2001*, table B-7, United States Government Printing Office, Washington: 2003.

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The Bureau of Justice Statistics is the statistical agency of the U.S. Department of Justice. Lawrence A. Greenfeld is director.

James J. Stephan wrote this report and coordinated data collection, under the supervision of Allen J. Beck. Tracy L. Snell provided statistical verification. Tina Dorsey and Tom Hester produced and edited the report. Jayne Robinson prepared the report for final printing.

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**Appendix table. Surveys of government finances, 1986-2001: Expenditures for total State corrections and for State prisons, in 2001 constant dollars**

Year	Total State corrections		State prisons	
	Total (in 1,000's) <sup>1,2</sup>	Cost per resident <sup>3</sup>	Total (in 1,000's) <sup>1,2</sup>	Cost per resident <sup>3</sup>
1986	\$15,595,807	\$65	\$11,718,582	\$49
1987	16,521,216	68	12,461,390	51
1988	18,420,811	75	14,265,336	58
1989	20,309,744	82	15,681,836	63
1990	22,606,549	91	17,505,068	70
1991	24,641,313	98	19,226,855	76
1992	25,388,942	100	19,404,816	76
1993	25,698,979	100	19,723,011	77
1994	27,926,979	107	21,417,090	82
1995	30,650,599	117	23,627,083	90
1996	31,425,488	119	24,029,310	91
1997	32,652,718	120	25,059,538	92
1998	33,862,569	123	26,120,090	95
1999	35,365,328	128	27,182,280	98
2000	36,193,618	128	27,569,391	98
2001	38,164,541	134	29,491,268	104

Note: Correctional expenditures may be underreported. Interviews with State budget officials by the U.S. Census Bureau for this report produced a revised estimate of State prison costs of \$29.5 billion for FY 2001, 1.1% higher than the 2001 Survey of Government Finances.

<sup>1</sup>US Census Bureau. *Censuses of Governmental Finances, 1986 -1996*, Tables 11 and 12; and unpublished data compatible with this series for 1997 through 2001.

<sup>2</sup>Economic Report of the President, February, 2003. Bureau of Economic Analysis, Chain-type price indexes for gross domestic product, 1959-2002, Table B-7.

<sup>3</sup>US Census Bureau, Estimates of the Population of the United States to July 1, 1990, Current Population Estimates and Projections, Series P-25, No. 1064. US Census Bureau, *US Population Estimates by Age, Sex, Race, and Hispanic Origin: 1990-1995*, PPL-41. Unpublished data 1996 -2001, compatible with *Resident Population Estimates for Age, Sex, Race and Hispanic Origin*.